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FOR NEA/ELA, EEB/TRA/OTP (DORIS HAYWOOD) AND PM/ISO (JEFF FREDERICK)

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TAGS: [ELTN](#) [EWWT](#) [ECON](#) [PREL](#) [JO](#)

SUBJECT: GOJ TRANSPORTATION OFFICIAL DISCUSSES BORDER AND RAIL PROJECTS; SEEKS DETAILS ON GLOBAL MARITIME PARTNERSHIP

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[¶](#)B. STATE 50488

Classified By: Ambassador R. Stephen Beecroft for reasons 1.4(b) and (d)

[¶](#)1. (C) Summary: Jordan's Ministry of Transportation has ambitious plans for the future, including a possible regional railway link, developing the al-Karama Free Trade Zone project, and the planned relocation of the Jordan-Iraq border post further into Jordanian territory. Jordan is also interested in the Global Maritime Partnership program, and looks forward to receiving more details on areas for possible bilateral cooperation. End Summary.

Free Trade Zone Expanding, Border with Iraq Moving

[¶](#)2. (C) Transportation Ministry Secretary General Mohannad Qudah told EconOffs that as one of the directors of the GOJ's bids evaluation committee, he has been reviewing construction proposals for moving the border post near Iraq approximately 12 miles further into Jordanian territory (septel). He explained that this move was being undertaken because low surrounding terrain made the current border post area susceptible to flash-flooding. He said the GOJ anticipated the project would cost approximately USD 200 million, and estimated it would take 4-6 months to work out contract details, followed by perhaps 18-24 months for construction. Having received no bids on the tender offer issued 3 August, however, the GOJ is now reevaluating options on how to make the BOT arrangement more attractive to potential bidders.

A New Arab Railway Network?

[¶](#)3. (C) Qudah reported the GOJ is examining the feasibility of building a new railway network connecting Jordan with Israel, Syria, and Saudi Arabia. The proposed line would replace the existing Hijaz line that currently connects Jordan and Syria, and include a hub in Zarqa with spurs to Iraq and Saudi Arabia. Qudah claimed the Saudis are enthusiastic about the project and that the Saudi government recently, independently contracted with a private investor on a BOT-basis to build a railway that would pass through southeastern Jordan, making a Jordanian link between the two countries very feasible.

[¶](#)4. (C) Qudah added that the proposed link connecting Israel with several major Arab countries would be like a "peace project" by itself, and in the long term could be a very effective way to increase trade between Jordan and Europe.

He reported the European Commission had already expressed serious interest in the project. Qudah said the project was expected to cost about JD 4 billion (USD 5.5 billion), and suggested that the United States, "as the region's main peace sponsor," contribute. A recent press article quoted Minister of Transport Alaa Batayneh as saying the government had begun to obtain land for the tracks/right-of-way, and hoped to secure funding and complete the project by 2013.

¶ 15. (C) Qudah expressed mild concern, however, about the possibility that the rail line could some day possibly shift trade away from Jordan's Aqaba seaport to Haifa, as the Mediterranean is a shorter path for transit to Europe than Jordan's Red Sea port. He said that if Haifa's role indeed expanded (and Arab states would eventually agree to ship cargo through Israel), he could envision the possibility of this someday undermining the significance of Aqaba.

Interested in Details on Global Maritime Partnership

¶ 16. (SBU) Qudah also confirmed receiving a copy of the Global Maritime Partnership (GMP) points from the Jordan Maritime Authority and stated the government would study them very carefully (reflets). He opined that the GOJ would view GMP very favorably, but added that he looked forward to hearing more specifics, particularly regarding the expected role of the security agencies, and what commitments would be involved.

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Beecroft